

DERIVATIVE SECURITIES TRADING PRODUCT UTILIZING SUBSETS OF INDICES
OR PORTFOLIOS

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ABSTRACT

A first equity instrument which represents an ownership interest in a portfolio of stocks. The portfolio of stocks is a subset of a larger portfolio of stocks, which also has a corresponding second equity instrument representing an ownership interest in the larger portfolio of stocks. The weight of each stock in the smaller portfolio is substantially similar to its weight in the larger portfolio, divided by the combined weight of the smaller portfolio within the larger portfolio. Thus, trading in the equity instrument allows one to maintain the relative proportions of the stocks belonging to the smaller portfolio, in the larger portfolio without having to trade the individual stocks comprising the smaller portfolio.

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